

Message Text

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ACTION XMB-04

INFO OCT-01 AF-06 ISO-00 TRSE-00 OMB-01 FRB-03 CIAE-00

INR-07 NSAE-00 EB-07 SSO-00 INRE-00 PRS-01 SP-02 /032 W

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FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC IMMEDIATE 4243

LIMITED OFFICIAL USE KINSHASA 7789

C O R R E C T E D C O P Y (CORRECTION PARA FIVE)

E.O. 11652: N/A

TAGS: EGEN, ECON, EFIN, CG

SUBJ: INABILITY OF GOZ TO MEET PAYMENTS TO EXIMBANK AND FNCB

REF: STATE 197304

1. SPINK OF FNCB JUST CALLED TO SAY THAT CENTRAL BANK GOVERNOR SAMBWA HAD JUST TELEPHONED HIM TO STATE THAT HE HAD AUTHORIZED PAYMENT OF APPROXIMATELY \$1.5 MILLION TO FNCB BUT THAT GOZ HAD NO MONEY AVAILABLE TO MEET OTHER PAYMENTS DUE TO CREDITORS INCLUDING EXIMBANK.

2. SPINK STATED TO SAMBWA THAT THIS IS EXTREMELY GRAVE AND IN EFFECT CONSTITUTED DE FACTO MORATORIUM. THEREFORE, IF SUCH IS THE CASE, I.E. IF THE GOZ IS UNABLE TO MEET ITS DEBT REPAYMENTS, THEN THE BEST COURSE OF ACTION WOULD BE FOR THE GOZ TO OFFICIALLY INFORM ITS CREDITORS AND REQUEST THEIR UNDERSTANDING. SAMBWA REPLIED THAT HE REALIZED THAT THIS CONSTITUTED A DE FACTO MORATORIUM BUT THAT HE HAD BEEN TOLD BY HIS SUPERIORS THAT HE COULD NOT OFFICIALLY INFORM THE GOZ'S CREDITORS OF ITS FAILURE TO MEET OVERDUE OBLIGATIONS. HE STATED THAT THIS WAS A POLITICAL DECISION MADE AT THE HIGHEST LEVELS WHICH HE COULD NOT REVERSE.

3. SPINK TOLD SAMBWA THAT HE HAD TO REPORT THE ABOVE TO LIMITED OFFICIAL USE

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FNCB NEW YORK AND STATED THAT HE WOULD REQUEST THEIR

ADVICE AS TO THE NEXT COURSE OF ACTION.

4. IN VIEW OF THE URGENCY OF THE SITUATION AND IN ORDER TO PREVENT A FORMAL DEFAULT ACTION BY ONE OR MORE OF THE CREDITORS, I BELIEVE THAT IT MIGHT BE USEFUL FOR FRIEDMAN OF FNCB TO COME IMMEDIATELY TO ZAIRE TO DISCUSS THE SITUATION AND POSSIBLE COURSE OF ACTION WITH GOZ OFFICIALS. FNCB HAS STATED REPEATEDLY THAT FRIEDMAN IS AVAILABLE TO COME FOR THIS PURPOSE IF HE IS INVITED BY THE GOZ. IF WASHINGTON AGREES THAT FRIEDMAN VISIT MIGHT BE USEFUL, I PROPOSE TO URGE BISENGIMANA TO IMMEDIATELY EXTEND INVITATION TO FRIEDMAN. IF THIS IS DONE, THEN I WOULD HOPE THAT AMBASSADOR VANCE WOULD PRESSURE FNCB TO SEND FRIEDMAN IMMEDIATELY. PLEASE ADVISE URGENTLY REGARDING THIS SUGGESTION.

5. WE HAVE NOT YET BEEN ABLE TO TALK TO SAMBWA REGARDING REFTEL. WE WILL CONTINUE TO ATTEMPT TO DISCUSS IT WITH HIM AND WILL SPECIFICALLY RAISE PAYMENTS TO EXIMBANK. WE WILL ALSO ATTEMPT TO CONFIRM STATEMENTS WHICH SAMBWA MADE TO SPINK.

WALKER

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 26 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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Margaret P. Grafeld
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